

Southeast Iowa Regional Planning Commission

Independent Auditor's Reports
Financial Statements
Supplemental Information
Schedule of Findings & Questioned Costs

June 30, 2008

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SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
BOARD OF DIRECTORS AND OFFICERS

<u>Name</u>	<u>Title</u>	<u>Representing</u>
<u>Executive Board Members</u>		
Brent Schleisman	Chairperson	City of Mount Pleasant
Sue Frice	Vice Chairperson	Workforce Development
Jim Howell	Secretary	Private Sector
Hans Trousil	Treasurer	City of West Burlington
Steve Ireland	Board Member	City of Fort Madison
Bill Ell	Board Member	City of Burlington
Robert Beck	Board Member	Des Moines County
Kent Gaudian	Board Member	Private Sector
Tom Young	Board Member	Henry County
Mark Hempen	Board Member	City of New London
La Verne Hueholt	Board Member	Private Sector
Robert Woodruff	Board Member	Lee County
Michael O'Connor	Board Member	City of Keokuk
Steve Bisenius	Board Member	Private Sector
Ken Purdy	Board Member	Louisa County
Mark Huston	Board Member	City of Columbus Junction
Randy Tillman	Board Member	City of Wapello
Dr. Jay K. Simmons	Board Member	Iowa Wesleyan College
Dr. Beverly Simone	Board Member	Southeastern Community College

Southeast Iowa Regional Planning Commission Officers

Brian Tapp	Executive Director
Mike Norris	Local Assistance Director
Kim Schisel	Fiscal Officer

John D. Morrow

Certified Public Accountant

Member

Iowa

Society

Certified Public Accountants

P O Box 400

109 Main Street

Wall Lake, Iowa 51466-0400

413 Ash Avenue

Ames, Iowa 50014

Phone: (712) 664-2891

FAX: (712) 664-2717

Cell: (712) 830-3121

Email: morrowjd@netins.net

January 30, 2009

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southeast Iowa Regional Planning Commission
Burlington, Iowa

I have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of Southeast Iowa Regional Planning Commission (SEIRPC), Burlington, Ia, as of and for the year then ended June 30, 2008. These financial statements are the responsibility of SEIRPC's management. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of Southeast Iowa Regional Planning Commission as of June 30, 2007 were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated February 13, 2008.

I conducted the audit in accordance with U. S. generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeast Iowa Regional Planning Commission as of and for the year ended June 30, 2008, and changes in net assets, and cash flow in conformity with U. S generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my reports dated January 30, 2009, on my consideration of Southeast Iowa Regional Planning Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analyses and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the aforementioned financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

FINANCIAL STATEMENTS

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF NET ASSETS
June 30, 2008

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,297,118
Cash restricted	50,489
Accounts receivable	268,956
Prepaid expenses	<u>7,699</u>
Total Current Assets	<u>1,624,262</u>
VEHICLES AND EQUIPMENT	
Local equipment	64,789
Local vehicles	32,972
Less: accumulated depreciation	(<u>50,296</u>)
	<u>47,465</u>
Transit vehicles	583,978
Less: accumulated depreciation	(<u>181,135</u>)
	<u>402,843</u>
Total Vehicles and Equipment	<u>450,308</u>
OTHER ASSETS	
Housing program loans	87,049
Business enterprise loans	<u>1,569,850</u>
Total Assets	\$ <u><u>3,731,469</u></u>
LIABILITIES AND FUND BALANCES	
CURRENT LIABILITIES	
Accounts payable	\$ 106,776
Notes payable	30,000
Current portion of long-term debt	43,265
Accrued payroll, benefits, and annual leave	56,511
Deferred Revenue	<u>4,780</u>
Total current liabilities	241,332
LONG TERM LIABILITIES	
Note payable - vehicles & equipment	21,032
Note payable - Amoco loan	16,756
Note payable - HOME loans	20,500
Note payable - IRP loans	<u>802,342</u>
Total Liabilities	1,101,962
NET ASSETS	
Unrestricted Net Assets	
Unreserved net assets	1,412,272
Investment in transit vehicles	402,843
Reserve for loans	814,392
Temporarily Restricted Net Assets	0
Permanently Restricted Net Assets	<u>0</u>
Total Net Assets	<u>2,629,507</u>
Total Liabilities & Net Assets	\$ <u><u>3,731,469</u></u>

See accompanying Notes to Financial Statements.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Year ended June 30, 2008

Revenues:

Governmental funding sources:

Iowa Dept. of Transportation	\$ 583,791
Iowa Dept. of Economic Develop.	113,911
Self Help	114,645
U.S. Dept. of Commerce	97,496
U.S. Dept. of Agriculture	12,500
Federal Emergency Management Agency	1,155
Dept. of Housing & Urban Development	71,665
Medicaid reimbursement	133,060
Small Business Administration	9,349
Local contract awards	494,196
General public & per capita	174,174
Loan repayments	90,276
Interest from loans	409,616
Interest from investments	97,980
Other revenues	34,877
Matching funds	<u>59,528</u>

Total Revenue 2,498,219

Program Expenses:

Local administrative programs	225,267
Collaborative economic development marketing project	122,390
Economic development planning grant	80,047
Revolving loan funds	237,182
Housing assistance administrative programs	133,040
Self help	102,861
Safe route to school	14,979
Programs to implement regional intermodal planning	158,463
Region 16 transit program	<u>809,377</u>
Total Direct Expenses	1,883,606

Indirect costs	219,655
Indirect costs - prior period allocation	<u>60,807</u>

Total Expenses 2,164,068

Revenue over (under) expenses 334,151
Beginning of year - Unreserved Net Assets 1,078,121

End of year - Unreserved Net Assets \$ 1,412,272

See accompanying Notes to Financial Statements.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2008

	Indirect Costs	Program Costs	Total
Salary & wages	\$ 97,329	\$ 714,608	\$ 811,937
Payroll tax expense	9,676	54,759	64,435
Pension expense	5,459	43,319	48,778
Employee benefits	9,188	52,069	61,257
Accounting & legal	3,918	4,497	8,415
Advertising & marketing	257	112,626	112,883
Information technology	12,005	0	12,005
Equipment	3,177	12,880	16,057
Contractual expenses	4,504	27,890	32,394
Copier expense	3,755	0	3,755
Dues & subscriptions	7,480	6,100	13,580
Office expense	1,223	22,470	23,693
Inspection & testing expense	0	1,210	1,210
Insurance	17,427	44,730	62,157
Meetings	2,998	4,786	7,784
Printing & postage	5,283	2,718	8,001
Participant loans & grants	0	218,116	218,116
Repairs & maintenance	0	138,575	138,575
Rent	13,608	3,860	17,468
Supplies	19,140	16,414	35,554
Vehicle expenses	0	177,689	177,689
Telephone	8,943	7,930	16,873
Travel & training	4,173	31,663	35,836
Interest	140	16,186	16,326
Loan payments	0	25,470	25,470
Capital expenditures	0	30,970	30,970
Matching expenditures	0	107,166	107,166
Depreciation	<u>5,187</u>	<u>4,905</u>	<u>10,092</u>
Total	<u>234,870</u>	<u>1,883,606</u>	<u>2,118,476</u>
Beginning of Year - Net Assets	60,807	0	60,807
Indirect costs allocated to:			
Regional Housing Authority	(15,215)	<u>0</u>	(15,215)
Total Expenses	\$ <u>280,462</u>	\$ <u>1,883,606</u>	\$ <u>2,164,068</u>

See accompanying Notes to Financial Statements.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF CASH FLOWS
Year Ended June 30, 2008

Resources Provided (Used) By:	
Cash Flow from Operating Activities:	
Revenue over expenses	\$ 334,151
Items not requiring outlays of cash:	
Depreciation	67,631
Indirect cost-prior period	60,807
Change in Operating Assets & Liabilities:	
Increase in accounts receivable	(131,938)
Decrease in prepaid expenses	2,017
Increase in accounts payable	48,183
Decrease in payroll, annual leave, and benefits	(6,422)
Decrease in deferred revenue	(19,490)
	<u>354,939</u>
Cash Flow From Investing Activities:	
Purchase of local program property and equipment	(85,268)
Grant proceeds used for relending	(12,500)
Increase in restricted cash	(5,640)
	<u>(103,408)</u>
Cash Flow From Financing Activities:	
Borrowing - short term notes	30,000
Borrowing - long term notes	36,931
Payments - short term notes	0
Payments - long term notes	(214,910)
	<u>(147,979)</u>
Net Increase in Cash	103,552
Cash, Beginning of Year	<u>1,193,566</u>
Cash, End of Year	\$ <u><u>1,297,118</u></u>

See accompanying Notes to Financial Statements.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

Note 1 Nature of Activities and Significant Accounting Policies

A. Nature of Activities

Southeast Iowa Regional Planning Commission was created in 1973 by a 28E agreement to service the Iowa counties of Des Moines, Henry, Lee and Louisa and local governments (cities and school districts) within the four county region.

The purposes for which SEIRPC was organized are to provide joint services and facilities with other agencies to promote and assist the economic development of business concerns through growth and development, and aid in development opportunities to the region, thereby increasing employment, business volume, and business payrolls. To accomplish these purposes, SEIRPC has all the powers enumerated in Chapter 473A of the Code of Iowa. These powers are limited to the definitions and purposes encompassed by Section 501(c)(1), of the Internal Revenue Code. In addition, SEIRPC has the power and duty to make comprehensive studies and plans for the development of the area it serves, to eliminate planning duplication, to promote governmental economy and efficiency, and to otherwise guide the unified development of the area.

Southeast Iowa Regional Planning Commission owns and operates the Region 16 Transit System. This rural transit system provides transit services to senior citizens, persons with disabilities, preschool and school aged students, and the general public. Region 16 Transit System operates in Des Moines, Henry, Lee, and Louisa counties and is recognized by the Department of Transportation as the regional transit organization. The mission of Region 16 Transit System is to provide safe, dependable, and efficient public transit services for all citizens within its service area in a manner which will help them maintain and improve their quality of life. Transportation planning staff are active in programming federal dollars available to the Commission, developing projects utilizing state and federal dollars, preparing transportation planning document, Geographic Information Systems mapping and analysis, travel demand modeling, grant applications to federal and state governments, and regional cooperation related to transportation issues and transit planning.

Southeast Iowa Regional Planning Commission (SEIRPC) serves as the Regional Planning Affiliation (RPA) for the counties of Des Moines, Henry, Lee, and Louisa. As the RPA, SEIRPC prepares all planning documents pursuant to transportation planning in the region, including the programming of regional federal funds for transportation. SEIRPC is advised by a Transportation Advisory Committee on all planning documents. Final decisions on these documents are made by the Board of Directors of Southeast Iowa Regional Planning Commission. The Planning and Zoning Department provides a number of services relating to land use and development to various clients within the region. Specifically, actual on-site land use administration, technical assistance with zoning and subdivision issues, revision and development of comprehensive plans, urban renewal plan formulation, annexations, ordinance codification

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

Note 1 Nature of Activities and Significant Accounting Policies (continued)

A. Nature of Activities

updates and capital improvement budgeting are all provided under individual contracts with cities and/or counties within the four-county area.

Southeast Iowa Regional Planning Commission administers grants received by clients from different funding sources. The staff works one-on-one with the agency officials and city or county officials to insure that all of the grantor agency requirements are met, and retains records related to the grant administration activities.

Southeast Iowa Regional Planning Commission assists the communities and counties in identifying housing needs. Once needs are identified, the organization will work with the necessary partners to achieve those goals. Examples of programs include various housing rehabilitation programs, down payment assistance, rental projects, new construction, development of lots for sale, and lead base paint & inspection services.

The organization is dependent on continued funding by Federal, State and local governmental bodies to provide the programs necessary to support the services and objectives set out above.

C. Significant Accounting Policies

Fund Accounting - To ensure observance of limitations and restrictions placed on the use of resources available to Southeast Iowa Regional Planning Commission, the accounts of the organization are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund program; however, in the accompanying financial statements, programs that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Basis of Accounting - Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Grant or contract revenue is recognized when earned. The grants and contracts are written on an expense reimbursement basis and accordingly, grant or contract revenue is earned when allowable program expenses are incurred. The financial statements present any funds received and not expended as deferred revenue. Expenses are recorded when the liability is incurred. Disbursements for the purchase of vehicles and equipment in the Region 16 Transit Program, which provide future benefits are recorded as expenses in the program at the time of purchase and capitalized and presented in the Statement of Net Assets. Disbursements for the purchase of vehicles and equipment in the local administrative program are capitalized and depreciated over the assets useful lives. Depreciation is recovered through program reimbursements or in the indirect cost rate.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

Note 1 Nature of Activities and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Basis of Presentation - Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the SEIRPC and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Assets, Liabilities and Net Assets - The following accounting policies are followed in preparing the statement of financial position.

Cash and Cash Equivalents - Cash includes amounts in demand deposits, savings accounts, and money market funds.

Program Funds and Accounts Receivable - Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenses as of the beginning and end of the year. Program funds and accounts receivable include amounts due to SEIRPC but not received at year end.

Allowance for Doubtful Accounts - The direct write-off method is used to account for uncollectible housing and business loans. There is no provision for bad debts since management considers all receivables are to be collectible.

Vehicles, and Equipment - Vehicles and equipment are valued at historical cost. Vehicles and equipment in the Region 16 Transit Program are recorded as expenses. The purchases are then capitalized accumulating the net investment in vehicles and equipment. Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets, generally 5 to 10 years for vehicles and equipment. Disbursements for the purchase of vehicles and equipment in the local administrative program are capitalized and depreciated over the assets useful lives. Depreciation is recovered through program reimbursements or in the indirect cost rate. The depreciated cost of the vehicles and equipment does not purport to be either a realizable value or a replacement value. Expenses for maintenance, repairs, and minor replacements are charged to the current year, while the cost for major replacements and betterments are capitalized. The cost of assets disposed is deleted.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

Note 1. Nature of Activities and Significant Accounting Policies (continued)

C. Significant Accounting Policies (continued)

Annual Leave - Employees of SEIRPC accumulate a limited amount of earned but unused annual leave payable to employees. Amounts representing the cost of annual leave expected to be liquidated currently are recorded as liabilities. This liability has been computed based on current rates of pay.

Deferred Revenue - Deferred revenue represents cash advances by the funding source at year end.

Indirect Cost Allocation - Southeast Iowa Regional Planning Commission has adopted a cost allocation plan to allocate joint costs to the various programs. SEIRPC has established an indirect cost rate for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR 225 (OMB Circular A-87) applies. SEIRPC has requested approval and received a final indirect cost rate of 34.25% for fiscal year 7/1/06 to 6/30/07, and a provisional indirect cost rate of 34.25% for a fiscal year 7/1/07 to 6/30/08. Indirect cost allocations are based on total direct salaries & wages including fringe benefits. Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs. Vacation, holiday, sick leave, and other paid absences are included in salaries and wages and are claimed on grants, contracts, and other agreements as part of the normal cost for the salaries and wages.

Budgetary Accounting - SEIRPC is not required by statute to use budgetary accounting. Therefore, no budgetary information is included in these financial statements.

Income Taxes - Southeast Iowa Regional Planning Commission is exempt from Federal income taxes under provisions of Internal Revenue Code Section 501(c)(1).

Use of Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from amounts estimated. These estimates involve useful lives for depreciation of assets, allowance for doubtful accounts, loss contingencies, and other estimating techniques as may be required to record effects of future events.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

Note 2 Leases

Southeast Iowa Regional Planning Commission sub-leases office facilities from the City of Burlington under a lease agreement which began July 1, 2006, and expires June 30, 2009. Rent paid for the year ended June 30, 2008 as \$14,700.

The Commission has entered into an operating lease to rent Regional Transit Authority vehicle storage space in Burlington, Iowa on a month to month basis. Rent paid for the year ended June 30, 2008 was \$3,400.

SEIRPC may be obligated under other lease agreements accounted for as operating leases for equipment. In the event insufficient program funding occurs, these leases may be prematurely terminated with appropriate notice.

Note 3 Pension and Retirement Benefits

The Southeast Iowa Regional Planning Commission contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117

Plan members are required to contribute 3.90% of their annual covered salary and the Southeast Iowa Regional Planning Commission is required to contribute 6.05% of annual covered payroll. Contribution requirements are established by State statute. Southeast Iowa Regional Planning Commission's contribution to IPERS for the year ended June 30, 2008 was \$52,617, equal to the employer required contributions for the year. The total contribution to IPERS for the year ended June 30, 2008 was \$85,877.

Note 4 Contingent Liability - Medical Leave

The SEIRPC's full time employees accumulate medical leave hours for subsequent use. No compensation is made for accrued medical leave at time of separation and these accumulations are not recognized as expenses until used.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

Note 5 Organization Risk Management

Southeast Iowa Regional Planning Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Southeast Iowa Regional Planning Commission assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 6 Total Deposit Accounts And Insured Depository Limits

Southeast Iowa Regional Planning Commission maintains checking, savings, and money market accounts in various financial institutions. These financial institutions classify these deposits as public funds and are subject to the guidelines referred to in Chapter 12C of the Code of Iowa.

As of the fiscal year end, the following financial institutions held public funds totaling:

	<u>June 30, 2008</u>
Two Rivers Bank & Trust	\$ 1,386,729
First Federal Savings Bank of Iowa	1,105
KSB Bank	93,069

Note 7 Vehicles, and Equipment

A summary of vehicles, equipment, and the components of accumulated depreciation, are as follows:

	Fiscal Year End June 30, 2008			
	Transit	Local Programs		
<u>Vehicles & Equipment</u>	<u>Vehicles</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Beginning of year	\$ 553,008	\$ 0	\$43,463	\$43,463
Additions	30,970	32,972	21,326	54,298
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
End of year	<u>583,978</u>	<u>32,972</u>	<u>64,789</u>	<u>97,761</u>
<u>Accumulated Depr.</u>				
Beginning of year	123,596	0	40,204	40,204
Current deprec.	57,539	4,905	5,187	10,092
Disposal of assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
End of year	\$ <u>181,135</u>	\$ <u>4,905</u>	<u>\$45,391</u>	<u>\$50,296</u>

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

Note 8 Housing and Business Enterprise Loans Receivable

SEIRPC accounts for grant proceeds as revenue. Principal and interest payments received are accounted for as program revenues when received. Loans and grants paid to families are treated as expenses at the time the loan is made to accommodate the required reporting format on quarterly reports.

Southeast Iowa Regional Planning Commission administers Community Development Block Grants Revolving loans (CDBG Loans) for various cities within the region. The loans are for down payment assistance or for a portion of the cost of housing rehabilitation.

Southeast Iowa Regional Planning Commission received a loan from the US Department of Agriculture Intermediary Relending Program (IRP Loans). The loan proceeds plus local match are to be used for business enterprise loans.

Southeast Iowa Regional Planning Commission received a Department of Commerce Loan Program (EDA Loans) and the grant proceeds are used for business enterprise loans.

The balance of all loans is reflected as other assets on the combined statement of net assets. A summary of activity is as follows:

<u>Fiscal Year June 30, 2008</u>				
	<u>Beginning Balance</u>	<u>Payments Received</u>	<u>New Loans</u>	<u>Ending Balance</u>
CDBG/Home	\$ 59,180	\$ 6,286	\$ 34,155	\$ 87,049
Business Enterprise	168,481	27,163	25,000	166,318
IRP Loans	898,718	124,672	0	774,046
EDA Loans	<u>800,108</u>	<u>245,622</u>	<u>75,000</u>	<u>629,486</u>
Total	\$ <u>1,926,487</u>	\$ <u>403,743</u>	\$ <u>134,155</u>	\$ <u>1,656,899</u>

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

Note 9 Long Term Notes Payable

The long term notes payable and classification are as follows:

June 30, 2008

Southeast Iowa Regional Planning Commission, has entered into a loan agreement with the United States Department of Agriculture, Intermediary Relending Program. The loan agreement, dated July 9, 2003, is for the sum of \$600,000, interest at a fixed rate of 1% per annum, for a term of 30 years. The repayment shall be made in 27 equal installments of \$25,470 including principle and interest beginning July 9, 2007. The loan agreement requires a restricted cash account to be maintained at 6% of the balance outstanding.

\$ 580,527

Southeast Iowa Regional Planning Commission, has entered into a loan agreement with the United States Department of Agriculture, Intermediary Relending Program. The loan agreement, dated August 1, 2006, is for the sum of \$600,000, interest at a fixed rate of 1% per annum, for a term of 30 years. No repayment schedule is required as of June 30, 2008.

241,480

Southeast Iowa Regional Planning Commission entered into an agreement with the Iowa Finance Authority (IFA). The loan agreement dated March 1, 2006 calls for the IFA to loan 200,000 to the commission bearing interest at 3% per year. The loan agreement calls for the payment of interest only for the first 2 years and then principal and interest payable in 10 equal annual installments beginning on April 1, 2009.

20,500

Southeast Iowa Regional Planning Commission has entered into an installment loan agreement with a financial institution to purchase a vehicle. The installment agreement, dated February 1, 2008, is for the sum of \$13,986.00, interest at a fixed rate of 6.99%, for a term of 35 months. The repayment shall be made in 35 equal installments of \$433.54, including principle and interest, beginning March 15, 2008.

12,609

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

Note 9 Long Term Notes Payable (continued)

Southeast Iowa Regional Planning Commission has entered into an installment loan agreement with a financial institution to purchase a vehicle. The installment agreement dated February 7, 2008, is for the sum of \$13,986.00, interest at a fixed rate of 6.99% for a term of 35 months. The repayment shall be made in 35 equal installments of \$433.04, including principle and interest, beginning March 15, 2008.

12,595

Southeast Iowa Regional Planning Commission has entered into an installment loan agreement with a financial institution to purchase a copier. The installment agreement, dated October 16, 2007, is for the sum of \$10,000.00, interest at a fixed rate of 8.25%, for term of 35 months. The repayment shall be made in 35 equal installments of \$315.11, including principle and interest, beginning November 16, 2007.

7,990

Southeast Iowa Regional Planning Commission, has entered into an Amoco Loan Agreement with the Iowa Department of Transportation. The capital loan, dated November 26, 2007, is for the sum of \$21,266, no interest, payable in equal installments of \$5,317 for a term of 4 years beginning December 31, 2007.

15,950

Southeast Iowa regional Planning Commission, has entered into an Amoco Loan Agreement with the Department of Transportation. The capital loan, dated , is for the sum of \$18,366, no interest, payable in equal installments of \$6,122 for a term of 4 years beginning December 31, 2006.

12,244

Total Notes Payable	903,895
Current Portion of Long Term Debt	<u>43,265</u>

Long Term Portion	\$ <u><u>860,630</u></u>
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Maturities of notes payable over the next five years are as follows:

June 30, 2009	43,265
June 30, 2010	46,634
June 30, 2011	55,111
June 30, 2012	42,311
June 30, 2013	42,782
Thereafter	<u>673,792</u>

Total	\$ <u><u>903,895</u></u>
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SUPPLEMENTAL INFORMATION

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
 SCHEDULE OF REVENUES AND EXPENSES
 LOCAL ADMINISTRATIVE PROGRAMS
 Year Ended June 30, 2008

Revenues:

Governmental funding source:	
Small Business Administration	\$ 9,349
Community Development Block Grant	56,000
Contracts	141,719
Per-capita revenue	69,458
Other revenue	3,944
Interest income from investments	4,910
Matching funds & reimbursements	<u>8,784</u>
 Total Revenues	 <u>294,164</u>

Expenses:

Salary & wages	87,004
Payroll tax expense	6,691
Pension expense	4,814
Employee benefits	4,969
 Accounting & legal	 200
Advertising & marketing	2,576
Equipment	2,113
Dues & subscriptions	3,639
 Office expense	 3,569
Insurance	618
Meetings	3,212
Printing & postage	1,202
 Rent	 452
Supplies	1,274
Vehicle expenses	3,804
Telephone	91
 Travel & training	 4,882
Interest	1,068
Depreciation	4,905
Matching expenditures	<u>88,184</u>
Total Direct Costs	225,267
Indirect costs	27,136
Indirect costs - prior period allocation	<u>10,350</u>
 Total Expenses	 <u>262,753</u>

Revenue over (under) expenses	31,411
Beginning of Year-Net Assets	<u>89,898</u>
End of Year-Net Assets	\$ <u><u>121,309</u></u>

See accompanying Independent Auditor's Report.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
SCHEDULE OF REVENUES AND EXPENSES
COLLABORATIVE ECONOMIC DEVELOPMENT MARKETING PROJECT
GRANT NUMBER 05-RMG-04
Year Ended June 30, 2008

Revenues:

Governmental funding source:

Iowa Dept. of Economic Development \$ 93,032

Other revenue 600Total revenues 93,632

Expenses:

Marketing 102,020

Contractual expenses 15,491

Printing & postage 28

Supplies 3,953

Interest 898Total Expense 122,390

Revenue over (under) expenses (28,758)

Beginning of Year-Net Assets 28,758Net \$ 0

See accompanying Independent Auditor's Report.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
 SCHEDULE OF REVENUES AND EXPENSES
 ECONOMIC DEVELOPMENT PLANNING GRANT
 CONTRACT AWARD NUMBER 05-83-04270
 Year Ended June 30, 2008

Revenues:

Governmental funding source:

Dept. of Commerce - EDA

\$ 51,000

Matching funds

52,904

Total Revenues

103,904

Expenses:

Salary & wages

62,431

Payroll tax expense

4,581

Pension expense

3,809

Employee benefits

6,437

Office expense

639

Printing & postage

24

Travel & training

2,126

Total Direct Costs

80,047

Indirect costs

19,976

Indirect costs - prior period allocations

3,881

Total Expenses

103,904

Revenue over (under) expenses

\$ 0

See accompanying Independent Auditor's Report.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
SCHEDULE OF REVENUES AND EXPENSES
REVOLVING LOAN FUNDS
Year Ended June 30, 2008

	Housing Funds	Enterprise Loan Funds	EDA Funds	Intermediary Relending Programs
Revenues:				
Governmental funding source:				
USDA Loan Funds	\$ 0	\$ 12,500	\$ 0	\$ 0
Principle on loans	12,160	27,163	245,621	124,672
Interest on loans	2,831	8,080	37,233	49,836
Interest on investments	8,925	6,908	4,255	9,854
Loan fee revenue	225	375	975	0
Local funds	<u>0</u>	<u>2,100</u>	<u>0</u>	<u>0</u>
Total revenues	<u>24,141</u>	<u>57,126</u>	<u>288,084</u>	<u>184,362</u>
Expenses:				
Salary & wages	0	0	17,295	13,716
Payroll tax expense	0	0	1,260	1,013
Pension expense	0	0	1,057	840
Employee benefits	0	0	2,775	1,479
Accounting & legal	98	1,135	529	0
Advertising & marketing	0	40	1,299	0
Equipment	0	0	1,093	0
Dues & subscriptions	0	0	238	0
Office expense	27	138	114	0
Inspection & testing expense	130	0	0	0
Meetings	0	398	460	0
Printing & postage	0	100	80	0
Participant loans & grants	44,809	25,000	75,000	0
Supplies	0	339	1,570	0
Travel & training	73	517	4,870	0
Interest	6,000	0	0	8,220
Loan Payments	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,470</u>
Total Direct Costs	51,137	27,667	107,640	50,738
Indirect costs	0	0	4,956	3,509
Indirect costs-prior yr alloc.	<u>0</u>	<u>0</u>	<u>1,941</u>	<u>0</u>
Total Expenses	<u>51,137</u>	<u>27,667</u>	<u>114,537</u>	<u>54,247</u>
Revenue over (under) expenses	(26,996)	29,459	173,547	130,115
Beginning of Year-Net Assets	<u>93,110</u>	<u>326,409</u>	<u>108,949</u>	<u>331,420</u>
End of Year-Net Assets	\$ <u>66,114</u>	\$ <u>355,868</u>	\$ <u>282,496</u>	\$ <u>461,535</u>

See accompanying Independent Auditor's Report.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
 SCHEDULE OF REVENUES AND EXPENSES
 HOUSING ASSISTANCE ADMINISTRATIVE PROGRAMS
 Year Ended June 30, 2008

Revenues:

Governmental funding source:	
CDBG Housing Grants	\$ 11,375
Housing Program Draws	71,665
Lead Abatement Awards	1,155
Local contracts	22,750
Other revenue	26,009
Matching funds	<u>14,256</u>
Total Revenues	<u>147,210</u>

Expenses:

Salary & wages	26,583
Payroll tax expense	2,006
Pension expense	1,628
Employee benefits	1,501
Accounting & legal	906
Advertising & marketing	376
Dues & subscriptions	50
Office expense	13,852
Inspection & testing expense	1,080
Printing & postage	27
Participant grants	73,307
Travel & training	3,668
Matching expenditures	<u>8,056</u>
Total Direct Costs	133,040
Indirect costs	8,415
Indirect costs-prior year allocation	<u>7,116</u>
Total Expenses	<u>148,571</u>

Revenue over (under) expenses	(1,361)
Beginning of Year-Net Assets	<u>1,361</u>
End of Year-Net Assets	\$ <u><u>0</u></u>

See accompanying Independent Auditor's Report.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
 SCHEDULE OF REVENUES AND EXPENSES
 SELF HELP
 Year Ended June 30, 2008

Revenues:

Governmental funding source:	
U S Dept. of Agriculture	\$ 114,645
Other revenue	880
Matching funds	<u>8,055</u>
Total Revenues	<u>123,580</u>

Expenses:

Salary & wages	67,266
Payroll tax expense	5,040
Pension expense	4,110
Employee benefits	5,305
Accounting & legal	220
Advertising & marketing	3,847
Equipment	5,520
Contractual expenses	4,560
Office expense	1,140
Meetings	85
Printing & postage	250
Supplies	5,062
Travel & training	<u>456</u>
Total Direct Costs	102,861
Indirect costs	<u>20,719</u>
Total Expenses	<u>123,580</u>

Revenue over (under) expenses	\$ <u><u>0</u></u>
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See accompanying Independent Auditor's Report.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
 SCHEDULE OF REVENUES AND EXPENSES
 SAFE ROUTE TO SCHOOL
 Year Ended June 30, 2008

Revenues:

Governmental funding source:

Iowa Dept. Of Economic Development	\$ <u>17,429</u>
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Expenses:

Salary & wages	11,702
Payroll tax expense	859
Pension expense	711
Employee benefits	1,205

Office expense	183
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Supplies	281
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Travel & training	38
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Total Direct Costs	14,979
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Indirect costs	<u>2,450</u>
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Total Expenses	<u>17,429</u>
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Revenue over (under) expenses	\$ <u><u>0</u></u>
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See accompanying Independent Auditor's Report.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
 SCHEDULE OF REVENUES AND EXPENSES
 PROGRAM TO IMPLEMENT REGIONAL INTERMODAL PLANNING
 Year Ended June 30, 2008

Revenues:

Governmental funding source:

Iowa Dept. of Transportation:

FTA 5311	\$ 20,952
FHWA SPR	20,952
FHWA STP	120,894
Local contracts	25,150
Other revenue	1,340
Matching funds	<u>21,023</u>

Total Revenues	<u>210,311</u>
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Expenses:

Salary & wages	117,012
Payroll tax expense	8,968
Pension expense	6,998
Employee benefits	6,393

Accounting & legal	127
Advertising & marketing	250
Equipment	3,061
Dues & subscriptions	214

Office expense	2,415
Meetings	533
Printing & postage	349
Supplies	2,863

Telephone	846
Travel & training	<u>8,434</u>

Total Direct Costs	158,463
Indirect costs	36,970
Indirect costs- prior year allocation	<u>14,878</u>

Total Expenses	<u>210,311</u>
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Revenue over (under) expenses	\$ <u><u>0</u></u>
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See accompanying Independent Auditor's Report.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
 SCHEDULE OF REVENUES AND EXPENSES
 REGION 16 TRANSIT PROGRAM
 Year Ended June 30, 2008

	<u>Operating</u>	<u>Capital Assistance</u>	<u>Total</u>
Revenues:			
Governmental funding source:			
Iowa Transit Assistance	\$ 235,577	\$ 0	\$ 235,577
Federal Transit Assistance	156,998	24,776	181,774
Other Transit Assistance	3,642	0	3,642
Medicare	133,060	0	133,060
General public & per capita	104,716	0	104,716
Local contracts	287,148	0	287,148
Other revenue	2,140	0	2,140
Interest income from investments	25	0	25
Matching funds	<u>0</u>	<u>6,194</u>	<u>6,194</u>
Total Revenues	<u>923,306</u>	<u>30,970</u>	<u>954,276</u>
Expenses:			
Salary & wages	311,599	0	311,599
Payroll tax expense	24,341	0	24,341
Pension expense	19,352	0	19,352
Employee benefits	22,005	0	22,005
Accounting & legal	1,282	0	1,282
Advertising & marketing	2,219	0	2,219
Equipment	1,093	0	1,093
Contractual expenses	7,839	0	7,839
Dues & subscriptions	1,959	0	1,959
Office expense	393	0	393
Insurance	44,112	0	44,112
Meetings	98	0	98
Printing & postage	658	0	658
Repairs & maintenance	138,575	0	138,575
Rent	3,408	0	3,408
Supplies	1,071	0	1,071
Vehicle expenses	173,885	0	173,885
Telephone	6,993	0	6,993
Travel & training	6,599	0	6,599
Capital expenditures	0	30,970	30,970
Matching expenditures	<u>10,926</u>	<u>0</u>	<u>10,926</u>
Total Direct Costs	778,407	30,970	809,377
Indirect costs	95,524	0	95,524
Indirect costs-prior year allocation	<u>22,641</u>	<u>0</u>	<u>22,641</u>
Total Expenses	<u>896,572</u>	<u>30,970</u>	<u>927,542</u>
Revenue over (under) expenses	26,734	0	26,734
Beginning of Year-Net Assets	<u>98,216</u>	<u>0</u>	<u>98,216</u>
End of Year-Net Assets	\$ <u>124,950</u>	\$ <u>0</u>	\$ <u>124,950</u>

See accompanying Independent Auditor's Report.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

Federal Indirect:	<u>CFDA #</u>	<u>Agreement or Grant Number</u>	<u>Total Expenditures</u>
<u>U.S. Department of Agriculture:</u>			
USDA Rural Housing Development	10.769		\$ 12,500
Self Help	10.767		<u>114,645</u>
			<u>\$ 127,145</u>
 <u>U.S. Department of Commerce:</u>			
Economic Development Planning Grant	11.302		\$ 51,000
Collaborative Economic Development Marketing Project	11.307		<u>49,826</u>
			<u>\$ 100,826</u>
 <u>U.S. Department of Housing & Urban Development:</u>			
Iowa Department of Economic Development:			
Sub-recipient of Cities & Counties:			
Community Development Block Grant 14.228			<u>\$ 130,540</u>
 <u>U.S. Department of Transportation:</u>			
Operating Assistance	20.515	18-0028-08	\$ 156,998
Capital Assistance Project	20.516	37-X010-160-06	24,776
Regional Transportation Planning	20.209	FTA 5311	20,952
Regional Transportation Planning	20.205	FHWA SPR	20,952
Regional Transportation Planning	20.205	FHWA STP	120,894
Fellowship	20.509		<u>3,642</u>
			<u>\$ 348,214</u>
 <u>U.S. Department of Treasury</u>			
Temporary State Fiscal Relief	21.000		<u>\$ 43,206</u>

Basis of Presentation: The Schedule of Expenditures of Federal Awards includes the federal grant activity of Southeast Iowa Regional Planning Commission is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

See accompanying Independent Auditor's Report.

SCHEDULE OF REVENUE AND EXPENSES FOR COMPLETED CONTRACTS

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
SCHEDULE OF REVENUES AND EXPENSES
COMPLETED CONTRACT
COLLABORATIVE ECONOMIC DEVELOPMENT MARKETING PROJECT
GRANT NUMBER 05-RMG-04
For the period April 5, 2005 through June 30, 2008

Revenues:

Governmental funding source:

Iowa Dept. of Economic Development	\$ 271,989
Other revenue	38,075
In-kind	<u>29,510</u>

Total revenues	<u>339,574</u>
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Expenses:

Marketing	106,389
Contractual expenses	196,699
Meetings	2,612
Printing & postage	66
Supplies	4,298
In-kind	<u>29,510</u>

Total Expense	<u>339,574</u>
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Revenue over (under) expenses	\$ <u><u>0</u></u>
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See accompanying Independent Auditor's Report.

John D. Morrow

Certified Public Accountant

**Member
Iowa
Society**

**P O Box 400
109 Main Street
Wall Lake, Iowa 51466-0400**

**413 Ash Ave.
Ames, Iowa 50014**

**Phone: (712) 664-2891
FAX: (712) 664-2717
Cell: (712) 830-3121
Email: morrowjd@netins.net**

Certified Public Accountants

January 30, 2009

RTS CERTIFICATION BY INDEPENDENT AUDITOR

To the Board of Directors
Southeast Iowa Regional Planning Commission
Burlington, Iowa

I have audited the contracting opportunities and Disadvantaged Business Enterprise and Women Business Enterprise participation summary of Southeast Iowa Regional Planning Commission (Transit System). My audit of the report details included tests of accounting records, purchase orders, and contracts issued to Disadvantaged Business Enterprise and Women Business Enterprise firms as we considered necessary to verify that the information reported corresponds with the transit system's financial statements and other official documentation. It was not within the scope of my audit to make any assurances about the eligibility of any firm to be certified as a Disadvantage Business Enterprise or Women Business Enterprise, since the Iowa Department of Transportation assumes this responsibility. Tests were conducted to assure that this information fairly reflects the transit system's efforts to comply with Section 105(f) and Subpart D of the Surface Transportation Assistance Act of 1982.

The tests of accounting records and inquiries with management indicated that effort is made to identify Disadvantaged Business Enterprises and Women Business Enterprise. Management has procedures which identify current vendors as eligible to be certified as a Disadvantaged Business Enterprise and Women Business Enterprise.

John D. Morrow

Certified Public Accountant

Member

Iowa

Society

Certified Public Accountants

P O Box 400

109 Main Street

Wall Lake, Iowa 51466-0400

413 Ash Ave.

Ames, Iowa 50014

Phone: (712) 664-2891

FAX: (712) 664-2717

Cell: (712) 830-3121

Email: morrowjd@netins.net

January 30, 2009

COMBINED INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Southeast Iowa Regional Planning Commission
Burlington, Iowa

I have audited the combined financial statements of Southeast Iowa Regional Planning Commission (SEIRPC), Burlington, Ia, as of and for the year ended June 30, 2008, and have issued my report thereon dated January 30, 2009. I conducted the audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Southeast Iowa Regional Planning Commission's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing my opinion on the effectiveness of SEIRPC's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of SEIRPC's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect SEIRPC's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U. S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of the SEIRPC's financial statements that is more than inconsequential will not be prevented or detected by SEIRPC's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by SEIRPC's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. I noted no matters involving the internal control over financial reporting and its operation that I consider to be significant deficiencies or material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether SEIRPC's financial statements are free of material misstatement, I performed tests of SEIRPC's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about SEIRPC's operations for the years ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during my audit of the combined financial statements of SEIRPC. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report, a public record by law, is intended solely for the information and use of Southeast Iowa Regional Planning Commission and other parties to whom SEIRPC may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

I would like to acknowledge the many courtesies and assistance extended to me by the personnel of Southeast Iowa Regional Planning Commission during the course of the audit. Should you have any question concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.

John D. Morrow

Certified Public Accountant

Member

Iowa

Society

Certified Public Accountants

P O Box 400

109 Main Street

Wall Lake, Iowa 51466-0400

413 Ash Ave.

Ames, Iowa 50014

Phone: (712) 664-2891

FAX: (712) 664-2717

Cell: (712) 830-3121

Email: morrowjd@netins.net

January 30, 2009

COMBINED INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Southeast Iowa Regional Planning Commission
Burlington, Iowa

I have audited the compliance of Southeast Iowa Regional Planning Commission (SEIRPC), Burlington, Ia, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. SEIRPC's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of SEIRPC's management. My responsibility is to express an opinion on SEIRPC's compliance based on my audit.

I conducted my audit of compliance in accordance with U. S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about SEIRPC's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on compliance with those requirements.

In my opinion Southeast Iowa Regional Planning Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. Instances of non-compliance with those requirements, if any, are described in Part III of the accompanying Schedule of Findings and Questioned Costs

SEIRPC's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing my audit, I considered Southeast Iowa Regional Planning Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of SEIRPC's internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of SEIRPC's internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in SEIRPC's internal control that might be significant deficiencies or material weaknesses as defined below.

A control deficiency in SEIRPC's internal control over compliance exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect SEIRPC's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by SEIRPC's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by SEIRPC's internal control. I noted no matters involving the internal control over compliance and its operation that I consider to be significant deficiencies or material weaknesses

This report, a public record by law, is intended solely for the information and use of Southeast Iowa Regional Planning Commission and other parties to whom SEIRPC may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

Part I: Summary of the Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No matters were reported
Reportable condition(s) identified not considered to be material weaknesses?	No matters were reported
Noncompliance material to financial statements noted?	No matters were reported

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No matters were reported
Reportable condition(s) identified not considered to be material weaknesses?	No matters were reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133. Section .510(a)?	No matters were reported
Identification of major programs:	None
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as low risk.	

Part II: Findings relating to the financial statements which are required to be reported in accordance with Governmental Auditing Standards.

No matters were reported

Part III: Findings and questioned costs for Federal Awards which shall include audit findings as defined in OMB Circular A-133.

No matters were reported

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